

Below named conditions are standard conditions in relations between OÜ Micro Electronics trade and its Customers in mention of Law of Obligations Act of Estonian Republic. Below mentioned standard conditions are obligatory in relations between OÜ Micro Electronics trade (herein referred to as Supplier) and its Customers.

1. GENERAL PROVISIONS

- 1.1. Sales offer, specification.** By Customer request Supplier shall submit detailed sales offer. If needed, Supplier shall submit technical specifications, drawings, manufacturer's reliability test reports, guaranties, and other documentation. All the documentation must be provided in English language, metric system and SI unit system must be used in the drawings and technical documentation.
- 1.2. Purchase order.** The Purchase Order shall be issued every time the Customer wishes to order the Goods, and shall have complete information on the model, price, quantity, delivery terms, requirements for packaging of Goods, etc. The Purchase Order shall be submitted to the address and attention of a contact person OÜ Micro Electronics trade specified at the web page of OÜ Micro Electronics trade. Every Purchase Order, or amended Purchase Order confirmed by both Parties in written shall be considered as the supply agreement between the Supplier and the Customer for the delivery of Goods, specified in that Purchase Order according to conditions specified in present standard conditions. Purchase order may be signed by an exchange of fax's copies or e-mails. Buffer stock volume available at the Supplier premises and forecasted delivery schedule could be agreed in the Purchase Order. Purchase order that was submitted by Parties is obligatory for Parties and either of the Parties is unable to cancel it. Purchase order is an integral part of present standard conditions.
- 1.3. Purchase order confirmation and amendment.** The Supplier shall confirm a Purchase Order at the latest in 3 business days from its issue. The Purchase Order could be amended only by a mutual written agreement of both Parties, with exception in case of delivery delay as described in present standard conditions.
- 1.4. Order of precedence.** In the event of any inconsistency between this Parties, the Purchase Order, any specifications or other documentation, the following order of precedence shall apply (highest level of precedence first): these standard conditions, the Purchase Order, the specifications, any other documents related.
- 1.5. Quality assurance.** The Supplier assures the good quality of Goods following technical specifications and requirements of the Customer also the general requirements implied for this kind of products. The Goods are deemed to be of good quality if they do fully correspond to the Technical Specifications (datasheet) of the Goods manufacturer, provided by Supplier, and standards implied for particular type of Goods. Material and its quality used to produce Goods may not differ from ones noted in Technical Specifications (datasheet). The Customer has not the right to demand presence of the features and signs of goods which is not specified in the Technical Specifications (datasheet) or to make special demands to quality if they were not in details described in the Technical Specifications (datasheet).
- 1.6. Responsibility.** In case the quality of Goods provided by the Supplier does not comply with requirements noted in above named Quality Assurance section of these standard conditions, Goods are considered as defective. Claims regarding the quality of Goods shall be submitted not later than 30 (thirty) calendar days from the arrival date of Goods, excepting a latent defects. In case, if quality of Goods provided by the Supplier does not comply with requirements noted in Quality Assurance section of these standard conditions, The Customer is obliged to present corresponding claim adding to it technical documentation, which proves, that delivered Goods are defective and defects are caused by Supplier or manufacturer. If it is proved, that delivered Goods are defective and defected by Supplier or

manufacturer, than Supplier is obliged to replace the defective Goods at his own cost within the term not longer than 30 business days. The Customer may also agree that the defective Goods were repaired at the cost of the Supplier within the term not longer than 30 business days. All compensations are payable not later than in 30 business days from the day when a relevant claim is issued.

1.7. Warranty. The Supplier is obligated to provide a manufacturer's warranty that should be not less than 6 months for the Goods (hereinafter referred to as the Warranty). Warranty becomes effective on the date of delivery stated in the Purchase Order. The Customer's quality claim period is limited to the warranty period.

1.8. Warranty coverage is expressly denied for any Goods:

- rendered defective as a result of misuse, negligence or carelessness either in their use or storage,
- rendered defective as a result of improper installation, maintenance or repairs performed by unauthorized persons or which have been damaged during transport by Customer's forwarder (manufacturer's package damaged),
- that have been damaged by shock or fall, sand, dust, dirt, damp or corrosion,
- that have been damaged by lightning discharges, humidity, fire, incompatible voltages or any other cause not objectively ascribable to the manufacturer.

In addition, no warranty claims will be accepted in the case of improper use and/or operation outside the usage parameters stated by manufacturer in the Technical Specification (datasheet).

1.9. Solving the issues. In case of Customer's Product recall or a final Customer's complaint, the Supplier shall work together with the Customer to resolve the issue and shall provide all the information on Goods, needed to fully investigate the case.

1.10. Disagreements. If between Parties there is a dispute about the quality of Goods any of the parties is able to require the independent expertise made by an expert who is independent from Parties. Examination conclusions are obligatory for the Parties if the expert has been nominated under their mutual written agreement. Costs on payment of the expert are carried by that Party whose assertions about quality of the goods are been recognized by the expert wrong. If one of the Parties, who is asked by another Party to do examination evades from the doing of the examination, then it means that the conclusion of examination is done in favor of that Party which asked about the examination and this Party's opinion, whether the given goods are qualitative or not - is correct. Evasion from an examination is obvious absence the Party's desire to do the examination during reasonable term.

2. PACKAGING AND QUANTITY DEVIATIONS

2.1. Packaging. The Supplier's responsibility is to provide suitable packaging for the Goods to ensure their arrival at destination point in satisfactory condition. All Goods that are damaged while transporting due to insufficient or inappropriate packaging are considered as defective. Supplier is responsible for replacing them according to conditions of Responsibility section of these standard conditions.

2.2. Inadequacies. Original invoice shall be included in each delivery of Goods. On acceptance of Goods, the Customer shall ascertain that the amount of Goods corresponds with the invoice. Claims regarding the quantity of Goods shall be submitted not later than 3 (three) business days from the arrival date of Goods. The Supplier is obliged to deliver the deficient amount of Goods at his own cost in 30 (thirty) business days from the day when a relevant claim is submitted by the Customer.

3. DELIVERIES

- 3.1. Delivery terms and conditions.** Delivery of Goods is made under **FCA Sillamae** (Incoterms 2000) conditions. Ordered Goods must be delivered to the carrier not later than on the delivery date stated in the Customers' Purchase Order or amended Purchase Order. Date of delivery note (shipping bill) will be used for delivery date confirmation.
- 3.2. Possession.** Possession rights for the ordered Goods pass to the Customer in accordance with Incoterms 2000 conditions when an authorized representative of the Customer accepts the Goods at the point of destination and signs the shipping documents.
- 3.3. Ownership.** The ownership rights to the Goods pass to the Customer after paying of full price and charged penalties for ordered and delivered Goods.
- 3.4. Notification about delivery delays.** If the Supplier fails to meet the delivery time, or has reasons to believe the delivery time will not be met, the Supplier has to notify the Customer immediately, stating the expected length of delay and the reason of delay.
- 3.5.** In case delivery delay lasts longer than 31 (thirty one) calendar day Customer has a right to fully cancel the order without Suppliers agreement. Supplier, in not later than 10 (ten) business days must refund all amount paid by the Customer for the order that was canceled. Order cancellation frees Supplier from paying penalty fee for delivery delay. If after Order cancelling Customer receives Goods and Supplier has refund all amount paid by the Customer, then Customer is obliged at his own cost return delivered Goods to the Supplier.
- 3.6.** Any claim due to delay shall be submitted within one calendar month from the termination of the delay. The penalty fee is payable not later than 30 (thirty) calendar days from the day when the relevant claim was submitted. In case of delay in delivery caused by the Supplier the Customer also has the right to unilaterally deduct the invoice sum payable for the Goods in accordance with the above provided rules.

4. PRICES AND PAYMENT

- 4.1. Prices.** The prices of Goods shall be stated in relevant Purchase Orders and Commercial invoices. The Parties can conclude separate agreements on purchase prices. Such agreements shall constitute an integral part of these standard conditions.
- 4.2. Payment terms.** The Parties agree that the Customer shall pay for the ordered Goods not later than in 30 (thirty) calendar days after a relevant invoice date. Any payments due to the order shall be made directly to the bank accounts of the Parties as specified in this Agreement. Customer is responsible to pay bank charges applied by Customer bank. Supplier is responsible to pay bank charges applied by his country bank.
- 4.3. Delay fees.** In the event of the Customer fails to pay any amount under the order when due, he is obliged to pay the penalty fee in the amount of overdue payment at a rate of 0,1 % per each day of the delay. The delay fee is payable not later than in 30 (thirty) calendar days from the day when the relevant claim was submitted.
- If delay paying lasts more than 50 days, then starting from this date in addition to the earlier calculated delay fees Customer shall be liable to pay the penalty fee - 0,2% of the total overdue amount per each day of the overdue.
- Delay fees will be added to the subsequent invoice. If there will be no subsequent invoices, the fees will be added to the separate invoice and it is due to pay within 30 calendar days.
- The penalty fee is payable not later than in 30 (thirty) calendar days from the day when the relevant claim was submitted.

5. FORCE MAJEURE

- 5.1. Obligations in case of *force majeure*.** If either Party is prevented or delayed in the performance of any of its obligations under order made in accordance with this standard conditions by *force majeure*, that Party shall forthwith serve notice in writing on the other Party specifying the nature and extent of the circumstances giving rise to *force majeure*, and shall, subject to service of such notice and having taken all reasonable steps to avoid such prevention or delay have no liability in respect of the performance of such of its obligations as are prevented by the *force majeure* events during the continuation of such events, and for such time after they cease as is necessary for that Party, using all reasonable endeavors, to recommence its affected operations in order for it to perform its obligations.
- 5.2. Proof of circumstances.** Certificate of a national chamber of commerce and industry shall be a sufficient proof of commencement and cessation of *force majeure* circumstances.
- 5.3. Terms.** If the impossibility of complete or partial performance of the obligations lasts for more than 6 (six) months both the Customer and the Supplier shall have the right to cancel the order totally or partly without any obligations to identify eventual losses (including expenses) of both Parties.
- 5.4. Exclusions.** *Force majeure* shall not include such circumstances as the absence in the market of goods needed for the performance of the obligation, the lack of necessary financial resources by either of the Parties, or the violation of obligations committed by the partners (contrahents) of the either of the Parties.

6. DISPUTE SETTLEMENT AND GOVERNING LAW

- 6.1. Dispute terms and conditions.** Any dispute, controversy or claim arising out of or relating to the order made in accordance with this standard conditions, its breach, termination or validity, shall be settled by peaceful means of the Parties. All disagreements and disputes concerning orders are settled by negotiations way. If such dispute, controversy or claim is not settled between the Parties in peaceful manner then it shall be settled by arbitration in the Court of Commercial Arbitration at the registration country of a Supplier in accordance with its Rules. The number of arbitrators shall be three. The language of arbitration shall be English or Estonian.
- 6.2. Law applicable.** Disputes following from order and deliveries made in accordance with these standard conditions shall be governed by the laws of Republic of Estonia and disputes are adjudicated by an Estonian court.
- 6.3. Exempt conditions.** In case the Supplier or the Customer would neglect this Agreement, and would not, even though noted by the other Party, conduct the issue according to the provisions of this Agreement in a reasonable time (1 calendar month) from the day when a notice is issued, the other Party has the right to terminate the Agreement without any termination period.

7. MISCELLANEOUS

- 7.1.** The Parties confirm that their representatives who sign orders and invoices have legal capacity to represent the Parties and enter into the Agreement between Parties. Present standard conditions are the only valid arrangement between the Parties, no other terms and conditions, which do not constitute an inseparable part of these standard conditions, apply.
- 7.2.** All amendments and/or modifications of orders and invoices presented to the Parties are valid only if they are in written, and if they are signed by the both Parties. All Annexes to

the orders made on the basis of these standard conditions shall be concluded in written and shall constitute an inseparable part of Parties relations.

- 7.3. The Parties agree that all communication in accordance with this agreement shall be valid if it is sent in written: by registered mail, mail, fax, e-mail or handled directly to representatives of the Parties, who are indicated below.
- 7.4. Present standard conditions are obligatory in relations between Supplier and the Customer.
- 7.5. Present standard conditions are also extend to the currently supplied by the Supplier but not paid by the Customer to the date of signing of present standard conditions Goods.
- 7.6. Representatives of the Parties:

For the Supplier

Name:
Address: Veski 6, Sillamäe, 40231, Estonia
Fax: +372 39 29 080
E-mail: info@micel.ee

For the Customer

Name:
Address:
Fax:
E-mail:

For and on behalf of the Supplier
Pavel Nevzorov

For and on behalf of the Customer

(name, surname, signature)

(name, surname, signature)

Address: Veski 6, Sillamäe, 40231, Estonia
Company registration number: 10830441
VAT number:EE100739750
Bank account: EE782200221018627788
SWEDBANK, Liivalaia 8, 15040, Tallinn,
Estonia
SWIFT:HABAE2X

Address:
Company registration number
VAT number:
Bank account:

Date:
Stamp:

Date:
Stamp: